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Message Text

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ACTION NODS-00

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C O N F I D E N T I A L PRAGUE 575

NODIS

E.O. 11652: XGDS-1
TAGS: PFOR, EFIN, CZ
SUBJECT: SCOTT DISCUSSIONS WITH SENATORS LONG AND GRAVEL

REF: STATE 49475

1. ALTHOUGH THIS MESSAGE DEALS WITH THE GOLD/CLAIMS ISSUE, THE DEPARTMENT SHOULD BE AWARE THAT DAVID SCOTT HAD WHAT WE CONSIDER A VERY SUCCESSFUL AND USEFUL VISIT HERE IN HIS NEW ROLE AS US CHAIRMAN OF THE CZECHOSLOVAK-US ECONOMIC COUNCIL. HE IS NEW TO THIS PART OF THE WORLD, BUT TAKES THE MATTER SERIOUSLY AND BELIEVES CZECH-US TRADE HAS A FUTURE. NEEDLESS TO SAY, HIS BUSINESSLIKE ATTITUDE MADE A FINE IMPRESSION ON HIS CZECH HOSTS.

2. CHARGE HAD A GOOD DEAL OF TIME WITH SCOTT, AND HE AND EMBOFFS FARRRAND AND MONTGOMERY PROVIDED BRIEFING TO SCOTT AND PARTY ON LOCAL SCENE. IT PROVED EASY TO GET ACROSS MOST POINTS IN REFTEL, FOR SCOTT WAS DILIGENT IN ASKING OUR VIEWS AND IN LISTENING TO US TALK ABOUT PROBLEM AREAS IN THE GOLD-CLAIMS SITUATION. SCOTT WAS AWARE, FOR EXAMPLE, OF THE MFN-EMIGRATION LINK, AND KNEW THIS WAS A PROBLEM. (HE TOLD CHARGE THAT DEPUTY FOREIGN MINISTER SPACIL SAID TO HIM FRANKLY THAT THIS WAS SOMETHING CZECHS COULD NOT GET AROUND SO EASILY AS ROMANIANS DID, EVEN IF NUMBERS WERE SMALL; HOWEVER; WHILE RECOGNIZING THE PROBLEM EXISTED, SPACIL AND SCOTT AGREED THAT PROBLEMS HAD TO BE FACED ONE AT
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A TIME, AND IT WAS LONG-GRAVEL THAT WAS IMMEDIATE OBSTACLE.)

3. AFTER CANDID DISCUSSION OF THE WHOLE ISSUE,

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SCOTT ASKED CHARGE NOT TO ACCOMPANY HIM IN CALL ON
SPACIL (ALTHOUGH MFA HAS ISSUED INVITATION TO CHARGE
TO ACCOMPANY), BECAUSE HE FELT HE WOULD BE OF MUCH
MORE USE IN GETTING AROUND THE PRESENT STANDOFF IF
HE COULD TALK OVER THE ISSUES ALONE WITH SPACIL AND
REPORT BACK DIRECTLY TO LONG AND GRAVEL. CHARGE
AGREED TO THIS REQUEST. IN LONG PRIVATE CONVERSATION
AT RECEPTION FOLLOWING SCOTT-SPACIL MEETING, SCOTT FILLED
CHARGE IN ON TENOR OF MEETING AND ON SOME SPECIFICS;
BUT HE CAREFULLY AVOIDED DETAILED "DEBRIEFING," CLEAR-
LY PRESERVING HIS ABILITY TO REPORT TO LONG AND GRAVEL
WITHOUT HAVING "CONSULTED" WITH THE STATE DEPARTMENT.

4. OUR IMPRESSION IS THAT CZECH OFFICIALS ARE STILL
TALKING FUNDAMENTALLY FROM SAME POSITION THEY HAD
AT TIME OF HARTMAN VISIT AND VANIK VISIT LAST OCTOBER,
NAMELY THAT THEY EXPECT US SIDE TO COME IN WITH
FIRM OFFER TO REOPEN TALKS, AND THEY DO NOT EXCLUDE
SOME FURTHER UNSPECIFIED CONCESSIONS ON THEIR SIDE.
DURING THIS VISIT, APPARENTLY SCOTT'S INTERLOCUTERS
EMPHASIZED MORE THAN PREVIOUSLY THAT "THERE IS SOME
GIVE" ON THE CZECH SIDE. DEPUTY FOREIGN TRADE MINISTER
JAKUBEC, SCOTT REPORTED, TOWARDS END OF THEIR CON-
VERSATION SAID OPENLY THAT THERE WAS THIS "GIVE"
IN THE SITUATION. IN SEPARATE CONVERSATION WITH
CHARGE MARCH 4, ZANTOVSKY (HEAD 6TH DEPT MFA) INDEPEN-
DENTLY BROUGHT UP MATTER OF TIME-FRAME FOR PAYMENTS
OF CLAIMS, AND INDICATED PREVIOUS OFFER TO TELESCOPE
PAYMENTS COULD BE EASILY PULLED OUT OF CZECH POCKET
AGAIN. HE ADDED THAT PAYMENT "ALL AT ONCE" SHOULD
BE ATTRACTIVE TO SENATOR LONG. SCOTT CONFIRMED IN
CONFIDENCE TO CHARGE THAT SPACIL HAD BROACHED POSSI-
BILITY OF LUMP SUM PAYMENT, AND THIS IS IF ACCURATE
A STEP FORWARD. (TO OUR KNOWLEDGE NO ONE ON CZECH
SIDE HAS SPOKEN YET OF ANY SPECIFICS ABOUT INCREASING
AMOUNT TO BE PAID). SCOTT HIMSELF WAS OPTIMISTIC
THAT THERE WAS ENOUGH "GIVE" IN CZECH POSITION TO
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OPEN UP PROSPECTS FOR A SETTLEMENT IN NEAR FUTURE (MONTHS
NOT YEARS).

5. THE SENSITIVE POINT IN ALL OF THIS IS SCOTT'S
CONVICTION THAT AT PRESENT HE MUST WORK INDEPENDENTLY
FROM STATE DEPARTMENT. OUR IMPRESSION--PERHAPS
DEPARTMENT OFFICERS WHO HAVE WORKED WITH SCOTT IN HIS
MIDDLE EAST EFFORTS CAN VERIFY THIS--IS THAT SCOTT
HAS NO RPT NO ANIMUS AGAINST EXECUTIVE, AND STATE
IN PARTICULAR, AND WISHES TO WORK WITH US. OUR
IMPRESSION IS THAT AFTER HEARING OUT LONG AND GRAVEL,
AND BECOMING AWARE OF THEIR STRONG FEELINGS AGAINST
STATE, HE DECIDED THAT IF HE IS TO HELP SOLVE THE PRO-

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BLEM HE MUST WORK FIRST OF ALL WITH LONG AND
GRAVEL. HE IS AWARE OF THE LOGAN ACT, AND CHARGE TOLD
HIM FRANKLY THAT IN THIS TIME OF EXECUTIVE-LEGISLATIVE
FRICTION, IT SEEMED TO HIM THAT PROBLEMS WOULD ARISE
IF ALL INITIATIVE WAS LEFT ON CONGRESSIONAL SIDE.
HOWEVER SCOTT'S POSITION IS THAT THE REAL ROADBLOCK
IS WITH LONG AND GRAVEL, AND IF HE CAN HELP TO GET
THEM TO ALTER THEIR FIXED POSITION AGAINST AN AGREEMENT,
AND THUS OPEN THE WAY TO RENEGOTIATION, HE WILL BE
DOING THE COUNTRY A SERVICE. PERHAPS HE IS RIGHT.

6. SCOTT ASKED THAT CHARGE'S REPORTING OF THE LONG-
GRAVEL SIDE OF HIS TRIP BE KEPT IN STRICT CONFIDENCE.
(INCIDENTALLY, WE MADE POINT TO HIM ABOUT POSSIBLE
GRAVEL TRIP PER REFTEL, BUT HE DID NOT TELL US IF
THIS CAME UP.) IF IT SHOULD APPEAR THAT HE
HAS "REPORTED" TO US BEFORE DOING SO TO LONG AND
GRAVEL, HE WILL NOT ONLY LOSE HIS CREDIBILITY BUT WILL
SEEM TO HAVE GONE BACK ON HIS WORD. THEREFORE THOSE
WHO READ THIS ARE REQUESTED TO BE EXTREMELY GUARDED
IN ANY USE MADE OF IT. CHARGE OF COURSE PASSED
ALONG ASSISTANT SECRETARY HARTMAN'S MESSAGE PER REFTEL.
AGAIN, SCOTT SEEMED RELUCTANT TO AGREE TO A
"DEBRIEFING." MOST HE WOULD SAY WAS THAT HE WOULD
COME TO DEPARTMENT TO DEBRIEF ON HIS MIDDLE EAST
TRIP, AS HE ALWAYS DID. CHARGE SAID IN THAT CASE
HE HOPED HARTMAN WOULD BE IN TOUCH WITH HIM AND
PERHAPS EUR OFFICIALS COULD ALSO HAVE A CHANCE TO
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MEET WITH HIM. THIS IS A SENSITIVE AREA WITH HIM,
BUT WE RECOMMEND DEPARTMENT TRY THIS APPROACH.

7. FINALLY, IT SHOULD BE SAID THAT SCOTT'S EARNEST
RECOMMENDATION WAS THAT DEPARTMENT NOT PRESS LONG
AND GRAVEL, AND NOT COME FORWARD JUST NOW WITH ANY
SOLUTIONS, BUT WAIT TO SEE RESULT OF HIS PROBE WITH
LONG AND GRAVEL, AND THEN SEE IF THE SENATORS DID NOT
COME FORWARD WITH SOME SUGGESTION FOR BREAKING THE
LOGJAM. FOR WHAT IT IS WORTH, WE FOUND SCOTT PER-
SONALLY A JUDICIOUS AND INTELLIGENT MAN, READY AND
WILLING TO PLAY THE ROLE OF OUTSIDE MEDIATOR BETWEEN
DEPARTMENT AND LONG-GRAVEL. WE RECOGNIZE THE HUGE
PROBLEMS AND SENSITIVITIES INVOLVED, BUT WOULD HOPE
DEPARTMENT WILL CONSIDER WORKING WITH SCOTT AT
LEAST FOR A TIME. IF HARTMAN CAN GET TOGETHER
AND TALK THIS OVER WITH SCOTT A BIT, POINTING OUT
SOME OF THE PITFALLS HE STILL MAY NOT COMPREHEND
(ESPICALLY IN EXECUTIVE-LEGISLATIVE RELATIONS),
THIS WOULD BE VERY USEFUL.
PERRY

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